

## Administrative Rule Fiscal Impact Statement

Date: 07/22/2008

<b>Agency:</b> DNR <b>IAC Citation:</b> 567-60, 567-62, 567-63, and 567-64 (455B) <b>Agency Contact:</b> Angela Chen or Courtney Cswercko		
<b>Summary of the Rule:</b> DNR is proposing changes to Chapter 60 "Scope of Title – Definitions – Forms – Rules of Practice", Chapter 62 "Effluent and Pretreatment Standards: Other Effluent Limits or Prohibitions", Chapter 63 "Monitoring, Analytical, and Reporting Requirements", and Chapter 64 "Wastewater Construction and Operation Permits. The proposed amendments to these chapters will update the wastewater rules to meet requirements in the Federal Code of Regulations, reflect changes in technology and water quality standards, and include language from the Department's Policy Implementation Guidance (PIG) documents.		
<i>Fill in this box if the impact meets these criteria:</i> <input type="checkbox"/> No Fiscal Impact to the State. <input checked="" type="checkbox"/> Fiscal Impact of less than \$100,000 annually or \$500,000 over 5 years. <input type="checkbox"/> Fiscal Impact cannot be determined.		
Brief Explanation: Revenues to the state will not increase as a result of the proposed rules. The proposed increase in monitoring for semi-public facilities will increase the costs to the state of operation wastewater treatment facilities at DNR state parks and DOT rest areas. See additional explanation of monitoring costs below. The rules will result in some additional workload for DNR staff as interested persons will be able to submit new requests for permit amendments. The amount of the additional workload will depend upon action from the regulated stakeholders and the public and it is difficult to predict the level of interest of these parties.		
<i>Fill in the form below if the impact does not fit the criteria above:</i> <input type="checkbox"/> Fiscal Impact of \$100,000 annually or \$500,000 over 5 years. * Fill in the rest of the Fiscal Impact Statement form.		
<b>Assumptions:</b>		
<b>Describe how estimates were derived:</b> See description of assumptions for the calculation of increased monitoring costs below. The assumptions and factors that cannot be adequately quantified are the same for state-owned wastewater facilities.		
<b><i>Estimated Impact to the State by Fiscal Year</i></b>		
	<b><u>Year 1 (FY )</u></b>	<b><u>Year 2 (FY )</u></b>
<b>TOTAL REVENUE</b>	\$0	\$0
<b>TOTAL EXPENDITURES</b>	\$38,978	\$38,978
<b>NET IMPACT</b>	\$38,978	\$38,978
<input checked="" type="checkbox"/> This rule is required by State law or Federal mandate. <i>Please identify the state or federal law:</i> 40 CFR 123.25 and Iowa Code 455B.173 and 197 <input type="checkbox"/> Funding has been provided for the rule change. <i>Please identify the amount provided and the funding source:</i>  <input checked="" type="checkbox"/> Funding has not been provided for the rule. <i>Please explain how the agency will pay for the rule change:</i> The additional monitoring costs will be paid for with current monies allocated for state parks.		

***Fiscal impact to persons affected by the rule:***

The major cost of these rules is the increased monitoring cost to NPDES permit holders. Permittees with industrial, stormwater, agricultural, land application, and operation permits will not have any increase in monitoring cost. The increased monitoring costs will affect municipal and semi-public NPDES permit holders. The total increased monitoring cost is approximately **\$812,575.00**.

To calculate the increased annual monitoring cost for municipal and semi-public facilities, it was assumed that with the exceptions of flow and temperature testing, all required effluent and operational testing is performed by an off-site certified laboratory. However, this is not always the case. There are several factors that could not be adequately quantified and as such were left out of the calculations. These factors are as follows:

- Some testing (pH, operational testing) is usually performed on-site
- Some facilities have the ability to do all testing on-site
- Those facilities who wish to do new testing on-site must become certified for that testing and purchase lab equipment
- Not all facilities will wish to become certified for new testing
- Some facilities contract all of their testing, i.e. the laboratory comes in and does it all
- Driving time for certain samples (e.coli) increases the operational costs
- Not all facilities have sampling requirements for bacteria
- Laboratories have discounts for regular customers that are not reflected in the testing cost analysis
- Laboratories have packages for some tests that are not reflected in the testing cost analysis, as on-site and contracted testing will differ between facilities
- Not all laboratories will perform all the required testing, facilities may need to contract with more than one laboratory
- Laboratory testing costs differ across the state
- Several facilities have site-specific testing requirements that are not reflected in the current minimum monitoring requirements (more or less testing is already required for some facilities, so the total base monitoring cost is not exact)
- Several facilities already have the new e.coli monitoring in the permit (the cost increase projections for e.coli increase the total new monitoring costs more than is necessary)
- Total costs are decreasing for some classes of facilities

***Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6):***

The total cost to counties and other local governments of this rule package is approximately **\$596.870.00**. This amount was calculated using the same assumptions as above and subtracting out those facilities that are not owned by a county, city, or other local government.

\* If additional explanation is needed, please attach extra pages.

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